

**MINUTES OF THE
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES
APPROPRIATIONS SUBCOMMITTEE
MONDAY, FEBRUARY 9, 2004, 2:00 P.M.
Room 403, State Capitol Building**

Members Present: Sen. Beverly Evans, Committee Co-Chair
Rep. Loraine T. Pace, Committee Co-Chair
Sen. Greg Bell
Sen. Mike Dmitrich
Rep. Roger Barrus
Rep. Ralph Becker
Rep. DeMar “Bud” Bowman
Rep. D. Gregg Buxton
Rep. David Clark
Rep. Stephen Clark
Rep. Wayne Harper
Rep. Brent H. Goodfellow

Staff Present: Kevin Walthers, Fiscal Analyst
Jonathan Ball, Technology Analyst
Bonnie Brinton, Committee Secretary

Public Speakers Present: Executive Director Mike Chabries, Corrections
Deputy Director Scott Carver, Corrections
Deputy Mayor Alan Dayton, City of South Salt Lake City
Chairman Mike Sibbett, Board of Pardons
Gordon Bissegger, Administrative Service, Courts
Deputy Myron K. March, Court Administrator
Chair Gene White, Tooele County Commission
Maj. Matt Branham, Utah National Guard
Sgt. Maj. Todd Valline, Utah National Guard
Executive Director Keith Stepan, DFCM
Program Manager Glenn Beagle, Natural Resources - Forestry, Fire
and State Lands
Deputy Director Dick Buehler, Natural Resources - Forestry, Fire
and State Lands
Coordinator Steve Roberts, Government Relations, State Parks
Manager Jamie Dalton, Planning and Development, State Parks
Executive Director Robin Arnold-Williams, Department of Human
Services
Superintendent Karen Clark, Utah State Developmental Center
Program Director Blake Court, DAS, Facilities and Management
Director Terry Schow, Veteran's Affairs

George Wahlon, Medal of Honor Recipient
Dennis McFall, State Officer, Veteran's Nursing Home - National
Guard
Dan Falls, Public Safety/Corrections/SLCC Training Academy
Carlos Bracerias, Deputy Director, UDOT
David Miles, Operations Engineer, UDOT
Deputy Director Ken Nye, DFCM

A list of visitors and a copy of handouts are filed with the committee minutes.

Co-Chair Pace called the meeting to order at 2:07 p.m.

MOTION: Rep. D. Clark moved to approve the minutes of the meeting held February 4, 2004.

The motion passed unanimously with Sen. Dmitrich and Reps. Barrus, Becker, S. Clark and Goodfellow absent at the time of voting.

1. Corrections - Oxbow

Kevin Walthers, Fiscal Analyst, discussed the Oxbow Jail purchase. During the 2001 General Session he presented a report on the feasibility of purchasing the Oxbow Jail from Salt Lake County. The asking price at that time totaled \$17,725,000. This amount exceeded the amount the State would find acceptable.

The Analyst further stated that in addition, the Department of Corrections and DFCM anticipated an additional \$2.3 million for remodeling and \$500,000 to purchase adjacent property. The report concluded that for the facility to be of value to the State, the total state cost must be considered.

Mr. Walthers' analysis included the Governor's proposal of 552 beds at a cost of \$19,928 per bed. This year the Governor's budget request includes \$11 million to purchase and remodel the Oxbow Jail for state use. The Analyst believes that this cost is in line with what the State would expect to build new on state land in Draper.

The Analyst stated that it may be in the State's best long term interest to build a facility on the Draper campus or in Gunnison (opening beds for women at Draper) and use the co-location of facilities to lower ongoing costs. If the Oxbow facility cannot be purchased and remodeled for \$11 million as proposed by the Governor, the Analyst recommends

that the Department of Corrections use capacity on the Draper site to manage the growing women's population and return to the Legislature with a plan to build a new facility that will provide a long-term solution to the State.

Mike Chabries, Executive Director, Corrections, explained the rate of growth in inmates and the need for a new facility. He stated that Corrections' female incarcerated population has grown dramatically over the last two years and is currently growing at a rate of 9% a year, far exceeding current housing capacity.

Mr. Chabries introduced Shane Siwik, Council Chair of the City of South Salt Lake; Scott Carver, Deputy Director of Corrections; and Alan Dayton, Mayor of South Salt Lake City. The Director explained that \$4 million was originally requested to retrofit the Oxbow Jail and make changes to the project. However, he feels that amount could be reduced to \$2.5 million.

Mr. Walthers responded to questions from Subcommittee members regarding costs, bonding and phase funding.

Mr. Carver answered questions from Subcommittee members.

Jonathan Ball, Technology Analyst, provided information regarding this project and suggested alternative solutions to problems associated with the project.

Mayor Dayton presented options for the sale of the Oxbow Jail. The first option would be to accept the recommendation of the Department of Corrections to bond for \$11 million. The second option would be to enter into a contract with the State. The State would pay \$3 million down and pay off the outstanding debt in annual payments of \$700,000 a year for ten years.

Co-Chair Pace asked the Mayor to put these options in writing and submit them to the Subcommittee Chairs. Co-Chair Evans also requested in writing the amount of money spent in contracting out of laundry and meals for the Corrections Department. She stated that she had a question about the zoning difficulties experienced with Salt Lake County.

Mike Sibbett, Chairman, Board of Pardons, discussed the issue of purchasing homes on 1100 West for \$750,000. He stated that the residents are agreeable to staying in their homes and having a prison in the area.

Co-Chair Pace asked staff to make the options available for discussion in Wednesday's meeting.

2. Courts - Tooele Courts

Mr. Walthers addressed the issues regarding the Tooele County Court facility. One issue is the situation where accused criminals share hallways with jurors, victims and the public because of shared space with the Court and County. After exploring several options, it appears that a lease-purchase funded through court fees will not work for this facility as has been done in the past.

One difficulty with this request is that the court fees anticipated to be used for this project have been shifted to filling gaps in the current budget year. With no ability to provide additional state funds, the Analyst cannot recommend approval of this project for FY 2005 but notes that this is an issue that must be addressed soon.

Gordon Bissegger, Administrative Service, Courts, introduced Myron K. March, Deputy Court Administrator, and Gene White, Chair, Tooele County Commission, and recognized the county commissioners in attendance at the meeting in support of this project.

Mr. Bissegger distributed a handout and explained the need for funding of this project. He stated that the County had donated land to construct the new courthouse and had requested the Courts to vacate the building. He noted the project scope and the State cost of \$7,103,000 and the County cost of \$2,343,500. He referred to a site plan which showed ample space for building needs.

Mr. White expressed concern with safety and security issues at the current facility.

Co-Chair Pace expressed her appreciation for the partnership between the Court and the County.

3. National Guard - North Salt Lake Armory

Maj. Matt Branham explained the request.

The Analyst presented an overview of the need the Guard has of constructing a new readiness center. He stated that in the past the Legislature provided assurances for funding by authorizing bonds to be issued only upon receipt of anticipated federal funds. Mr. Walthers believes that it would be in the interest of the State to offer matching funds.

If any facility or highway bond is approved during the 2004 General Session, the Analyst recommends adding an authorization of \$2,719,000 for a new National Guard Armory to

be placed in North Salt Lake. He also recommends adding language to the bond bill that allows issuance only upon receipt of federal funds in the amount of \$7,800,000 to fund the balance of the project.

Maj. Branham introduced Sgt. Maj. Todd Valline and Keith Stepan, Executive Director, DFCM. He stated that this new readiness center would house three existing Guard units as well as a new Medical Area Support Company. These Guard units are being housed in World War II vintage buildings at Camp Williams. A site has been identified and the purchase is currently being negotiated and will be purchased in FY 2004. Property costs are not repeated in the current request. He concluded by stating that this project will have a positive economic impact by bringing federal dollars to the State.

Co-Chair Pace extended appreciation from the Subcommittee to the men and women serving in the Armed Services.

4. Department of Natural Resources - Special Operations Facility Replacement

Mr. Walthers presented an overview of this project. He stated that Corrections' Special Operations Function is currently housed in the old warden's home between the prison compound and I-15. The property that immediately surrounds this facility is used by the Division of Forestry, Fire and State Lands for its nursery operation. The project will construct a replacement facility for Special Operations on the west side of the prison compound.

Dick Buehler, Deputy Director, Division of Forestry, fire and State Lands, discussed the issues of overpopulation and public safety.

Glenn Beagle, Program Manager, Forestry, Fire and State Lands, explained the fire fighter programs and the new plan for ingress and egress options in the proposal. He stated that the Special Operations facilities will house and support the fire fighter program thereby freeing up space in the nursery facilities for its growth.

A site map was distributed showing the Lone Peak Conservation Camp and Surrounding Areas.

Co-Chair Pace expressed her desire for the Subcommittee to help with this project if at all possible.

5. Natural Resources - Parks - Rural Campgrounds

Jamie Dalton, Manager, Planning and Development, State Parks, explained the proposal, the need and the benefits of this project. He distributed a handout entitled "Utah Division of Parks and Recreation - FY 2005 Capital Development Request Summary." He stated that this project will construct new campgrounds at the following four state parks in rural areas: Coral Pink, Piute, Starvation and Yuba. He stated that these four parks have the greatest demand and need for expanding overnight camping facilities.

Steve Roberts, Government Relations Coordinator, State Parks, explained fee use and amounts. He stated that the increase in fee revenues will cover the additional operating costs but will not cover the debt service if the project were to be funded on a revenue bond. He concluded by stating that the development of these campgrounds will provide a positive impact on the local economies.

6. Human Services - Developmental Center Residential Facilities

Robin Arnold-Williams, Executive Director, Department of Human Services, presented the project and stated that the need is extremely critical. She introduced Karen Clark, Superintendent, Utah State Development Center, who explained that the project will construct five townhouses for residential housing at the Developmental Center.

Ms. Clark stated that the townhouses will be designed like a duplex with each half of a duplex housing four residents. She also stated that the overall master plan will involve several phases over a number of years due to the domino effect of converting existing facilities to new use. This request is the first phase which will free up existing residential facilities for conversion to day treatment space.

Blake Court, Program Director, Facilities and Management, DAS, clarified actual construction costs and explained other costs of the project.

Ms. Clark concluded her remarks by stating that developing duplex units at the Center will achieve the philosophical and programmatic outcomes they are seeking for people being served in the best and most economical manner.

7. Veterans Nursing Home

Mr. Terry Schow, Director, Veteran's Affairs, presented the project. He recognized the veterans and others in the audience present to show support for funding this Nursing Home. He explained the history, demographics, location, sizing and cost and timetable of the project. He stated that the present State Veterans Nursing Home reached capacity in 1998 and has remained so over the past three years.

Mr. Schow pointed out that Utah is entitled to over 300 nursing home beds in operation; however, with only 80 beds in operation, 26% of the total eligible beds are available. The proposed location would be on the site of the US Army Reserve Browning Reserve Center located on the western side of the Weber County fairgrounds. This 10-acre parcel of property would be deeded to the State from the US Army Reserve.

Mr. George Wahlon, Medal of Honor recipient, spoke in support of funding this project.

The Analyst clarified funding issues.

Dennis McFall, State Officer, Veterans Nursing Home (National Guard), addressed funding issues and explained that the current facility is at capacity and there is a waiting list of over 70 veterans. He stated that the federal government funds a grant equal to 2/3 of the total cost of State Nursing Home construction, including equipment and furnishings. The State would be required to fund the maintenance and operational costs of the facility.

He further stated that the VA also provides for ongoing daily per diem payments to the State to support individual veterans. This per diem is currently funded at \$56.24 per day and would provide a revenue stream for a 120 bed facility of approximately \$2,463,312 annually.

Co-Chair Pace expressed appreciation to all who came in support of this project.

8. Public Safety/Corrections/SLCC Training Academy

Dan Falls (?) introduced the people involved in this project. The project will construct a new public safety training center. Partnering with SLCC offers the additional synergy of facilitating the offering of credit granting programs in the criminal justice field. He stated that Larry Miller is interested in a partnership for this facility and would locate it on the Miller Campus. As a result the request for funding is being withdrawn at the present time, and a request will be made for O & M funding in the future.

Rep. Goodfellow stated his support for this partnership and for agencies working together.

Mr. Falls stated that this facility would not be managed by DFCM until completed, at which time it would then fall under the management of DFCM.

A handout was distributed entitled, "Partnership: Creating a Future of Excellence." This

handout listed the credit and non-credit programs which would be served and the benefits of the proposed programs and buildings.

Rep. Bowman stated his support for this partnership and commended those involved for their efforts.

9. Utah Department of Transportation

Mr. Walthers reported that the top priority for the UDOT is a new maintenance station in Vernal. Current facilities in Vernal may be less than ideal; but given the cost of replacing the facilities, the Analyst believes that the Legislature's best option is to hold off on new facilities while focusing transportation money on building roads and paying debt service. He also stated that the cost would be closer to \$1.5 million than the \$2.5 million shown on the chart on Tab 21, p. 9.

Carlos Braceras, Deputy Director, and David Miles, Operations Engineer, presented the request for this project. Mr. Braceras stated that the buildings and lots are too small to accommodate the equipment, and the location is not appropriate. Ten years ago, the UDOT plan was to complete two buildings every year. However, in the last five years, only two buildings have been completed.

UDOT would use cost effective methods of building a smaller building and using metal storage units for the equipment. Funding would come out of transportation funds if the Subcommittee gives approval. Mr. Braceras also stated that UDOT has time left on the lease, and the Community is not asking them to leave.

10. DFCM Regional Centers

Keith Stepan, Executive Director, and Ken Nye, Deputy Director, introduced the projects. They distributed a handout and a slide show was presented. The three regional centers in the request are in Ogden, Moab and Logan. Lease revenue bonds are the primary method that the State has used to finance state agency office space for the last 25 years.

Rep. S. Clark requested the cost per square foot estimates for the Centers, and Mr. Nye agreed to provide that information. Sen. Bell stated reasons for looking into leasing private business offices. The Executive Director explained that he felt the State would be ahead by owning the building as opposed to leasing space.

Mr. Walthers stated that he is neutral on the Ogden and Logan Centers, but he feels the Moab Center makes a lot of sense. He expressed concern that agencies lease space rather

than owning the building.

Co-Chair Evans reminded DFCM of the need to understand a city's master plan when considering where to locate a building. Rep. Becker stated that local governments are moving their government services to downtown, and he feels it is important to invest in the heart of downtown.

Rep. S. Clark asked for information from Sen. Bell on comparisons of available space and costs involved.

Mr. Stepan expressed appreciation to the Subcommittee and commended them for their service.

Co-Chair Pace asked Subcommittee members to begin to prioritize funding projects on their own before coming to meetings. She suggested they not go over \$40 million. Co-Chair Evans suggested funding might be a total of approximately \$20 million. The Analyst has provided information on projects so that Subcommittee can study, consider and prioritize on the computer.

MOTION: Rep. Bowman moved to adjourn the meeting.

The motion passed unanimously with Sen. Dmitrich and Reps. Barrus, and Goodfellow absent at the time of voting.

The meeting was adjourned 5:25 p.m. by Co-Chair Pace.

The minutes were reported by Bonnie Brinton.

Sen. Beverly Evans
Committee Co-Chair

Rep. Loraine T. Pace
Committee Co-Chair